

## INSURANCE

Budget Summary						FTE Position Summary				
Fund	2012-13 Adjusted Base	Request		2013-15 Change Over Base Year Doubled		2012-13	Request		2014-15 Over 2012-13	
		2013-14	2014-15	Amount	%		2013-14	2014-15	Number	%
FED	\$0	\$1,583,000	\$395,800	\$1,978,800	N.A.	9.30	9.30	9.30	0.00	0.0%
PR	17,027,500	16,928,600	16,927,000	- 199,400	- 0.6	130.25	130.25	130.25	0.00	0.0
SEG	87,261,500	89,645,300	90,759,500	5,881,800	3.4	12.75	12.75	12.75	0.00	0.0
TOTAL	\$104,289,000	\$108,156,900	\$108,082,300	\$7,661,200	3.7%	152.30	152.30	152.30	0.00	0.0%

### Major Request Items

#### 1. STANDARD BUDGET ADJUSTMENTS

PR	- \$544,300
SEG	- 6,500
Total	- \$550,800

Request a reduction of \$286,200 (-\$282,500 PR and -\$3,700 SEG) in 2013-14, and a reduction of \$264,600 (-\$261,800 PR and -\$2,800 SEG) in 2014-15 to reflect the following standard budget adjustments: (a) turnover reduction (-\$239,300 PR annually); (b) removal of non-continuing salary and fringe (-\$63,400 PR and -\$4,600 SEG annually); and (c) lease and directed move costs (\$20,200 PR and \$900 SEG in 2013-14 and \$40,900 PR and \$1,800 SEG in 2014-15).

#### 2. LOCAL GOVERNMENT PROPERTY INSURANCE FUND CLAIMS

SEG	\$5,888,300
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Request \$2,387,500 in 2013-14 and \$3,500,800 in 2014-15 to reflect projected increases in claims payments from the Local Government Property Insurance Fund (LGPIF) in the 2013-15 biennium. The LGPIF provides property insurance to local units of government, and is funded by premiums collected from those policyholders and earnings on fund investments. As of June 30, 2012, 1,076 local governments held policies through the fund, covering \$50.9 billion of property. OCI projects claim payments will increase by 3.9% annually from actual 2011-12 claims payments, totaling \$28,546,900 in 2013-14 and \$29,660,200 in 2014-15. Base funding is \$26,159,400. Even though claims payments would continue to be made to policyholders without this change, the request would modify the appropriation to more accurately reflect OCI's claims projections.

**3. HEALTH INSURANCE RATE REVIEW AND REPORTING -- FEDERAL REESTIMATE**

FED	\$1,978,800
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Request \$1,583,000 in 2013-14 and \$395,800 in 2014-15 to reflect estimates of federal funds OCI will expend in the 2013-15 biennium to improve health insurance rate review and reporting processes.

In September, 2011, OCI received a four-year, \$3,958,800 grant authorized under the federal Affordable Care Act (ACA) to: (a) implement an enhanced rate review process and conduct annual market surveys of the individual and small group markets; (b) modify OCI's website to accept and review comments from consumers, post rate filing consumer summaries, and investigate the potential of creating a mechanism that would permit consumers to sign up for notifications of submissions of rate filings; (c) review and update OCI's consumer publications and information on the agency's website about health insurance and the ACA; and (d) improve the data collection system DHS uses to analyze rates and rate filings. This grant currently supports approximately 8.5 FED positions and contracted actuarial, consultant and information technology services. OCI anticipates that by July 1, 2013, \$1,980,100 of the four-year grant amount will be expended; the remaining grant funding would be budgeted and expended in the 2013-15 biennium. Although OCI may expend all federal grant funding it receives for authorized purposes, this item would increase the agency's federal appropriation to reflect projected spending from that appropriation in the 2013-15 biennium.